Statement Of Lake Carriers' Association

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Every interest group has a unique vision for the Great Lakes. Those groups/interests include agricultural, recreational, electric power generators, transportation, and many others. The goals of each are at times in harmony and at times in conflict.

Transportation interests' vision is based upon the need to meet the legitimate demands of the industries they serve. In the Great Lakes region, the primary industries are steel, construction, power generation, and agriculture. American and Canadian industries are faced with stiff international competition and must continue to reduce costs through capital investment in new technology and economies of scale. Both of these factors are evident in the operation of vessels in the U.S.-Flag domestic trade. Super-sized newer vessels and modernized older vessels carry 125 million tons of raw materials annually to fuel the Great Lakes region's economy. Unfortunately, the infrastructure of the Great Lakes transportation system is based upon size constraints of the 1930s for the St. Lawrence Seaway and the 1950s for the Great Lakes ports and connecting channels.

Project Depth of Connecting Channels And Major Ports: The dimensions of the primary infrastructure, the locks, connecting channels, and major ports, are major constraints on the Great Lakes water transportation system and the ability of carriers to meet the needs of the industries served in the 21st Century. The size of many ports and some channels limit the use of the more efficient 1,000-foot long vessels. The width of the upbound channel in the St. Marys River limits the use of the super-sized vessels in a full-load condition. However, the primary limiting dimension in the system is the depth of water in a channel or lock. The project depth, authorized in the 1950s for the Great Lakes system, is 25.5 feet at mean low water datum (also known as chart datum). Often, the Lakes water levels are several feet above chart datum and, thus, loading to as much as 28.5 feet has taken place in the domestic trade of iron ore and coal through the St. Marys River. This fact proves that industry can effectively utilize vessels at the deeper draft and that the shippers, primarily steel mills and coal-fired utilities, benefit from larger loads. Nevertheless, there are times when the water level falls below datum and drafts are severely limited to authorized project depth or less. We are faced with these low waters now and for the foreseeable future.

While no one can accurately predict future water levels, given a worldwide warming trend, certain changes in water levels are expected to occur. On the oceans, as the polar ice melts, there will be higher water levels impacting coastlines. In the Great Lakes, with lower winter snow loads, less ice cover, and warmer air, there will be higher evaporation rates and reduced supply of water from spring thaws. The result will be lower water levels.

The system needs to have a reliable, greater depth suitable to meet the needs of the 21st Century where worldwide competition demands more cost effective transportation. The target should be a system capable of handling ships with a 29.5-foot draft at all times — regardless of water level fluctuations. The major constraint factor to be considered should be the depth of the Poe Lock sill that is 32.5 feet.

Restore Full Federal Funding for Operation and Maintenance Dredging (O&M): From the founding of our nation until 1987, the Federal government funded O&M dredging of the nation's waterways from general revenues. A Harbor Maintenance Tax (MMT) was instituted in 1987 to recover 40 percent of O&M costs in the deepdraft waterways (the HMT has never been assessed on the inland waterways). When the HMT was tripled in 1991 to recoup 100 percent of deepdraft O&M, legal challenges began that eventually lead to the Supreme Court voiding the tax on exports. Legal challenges continue and as a result, the Administration has proposed a substitute Harbor Services User Fee that would expand collections to include the Federal government's share of new construction projects. In total, the HSUF would add $1 billion a year to the nation's freight bill. The role of waterborne commerce in our nation's economic well-being and national security demands a return to full Federal funding. Domestic waterborne commerce routinely tops 1 billion tons a year. 98 percent of our imports and exports move across the oceans. There is hardly a job or industry in this country that is not dependent on an efficient system of ports and waterways. **Furthermore, a recent GAO study has determined that 11 Federal agencies already assess 124 taxes on waterborne commerce that annually generate more than $21 billion for the Federal treasury.**

Maintenance Dredging: Because of the precipitous, large drop in the water levels, the U.S. Army Corps of Engineers is unable to adequately maintain the commercial and recreational harbors in the Great Lakes to the Congressionally authorized depths. Congress should pass a supplemental appropriation of $20 million for the Corps to carry out the mandated dredging of commercial and recreational harbors. Every inch of lost draft reduces the efficiency of waterborne commerce. The largest vessels, the 1,000-foot-long supercarriers, forfeit 270 tons of cargo for each 1-inch reduction in loaded draft. An ocean-going vessel in the Seaway trade loses 100 tons of cargo for each 1-inch reduction in loaded draft.

St. Marys River Dredging: Commence the dredging of the Vidal Shoals stretch of the upper St. Marys River once authorized by Congress. Vidal Shoals has historically been the determination point for loaded drafts in the Head-of-the-Lakes trade. Water levels in this area can fluctuate dramatically, so vessels often must anchor and wait for the water to rise. By deepening Vidal Shoals by additional foot, vessel delays should be minimized.

Replacement Lock at Sault Ste. Marie, Michigan: Complete plans and specifications for the new lock at Sault Ste. Marie, Michigan, capable of handling the Poe-class vessels that now represent approximately 70 percent of U.S.-Flag carrying capacity on the Great Lakes. Provide Federal share of appropriations for construction when the Great Lakes Commission has finalized the sponsorship agreement with the Governors of the Great Lakes States. Consider construction appropriations for FY02.

Confined Disposal Facility (CDF) Maintenance and Construction: In the 1970s, the Federal government built 26 CDF to hold the sometimes polluted sediments dredged from Great Lakes waterways. The capacity of these facilities is not infinite, so either existing CDFs must be expanded or new ones built. The need for expanded or new CDFs could be lessened by Open Lake disposal of clean sediments.